



TGLT S.A.

CNPJ/MF nº 14.212.464/0001-76

### MATERIAL FACT

TGLT S.A. ("Company" or "TGLT"), in accordance with the provisions of the Instruction of Securities Exchange Commission ("CVM") No. 358, dated January 03, 2002, as amended, hereby informs the holders of Sponsored Brazilian Depository Receipts Level II ("BDR Holders" and "BDRs", respectively) which are underlined by common shares issued by the Company:

On April 24, 2015 it was approved by the Board of Directors of the Company the discontinuity and cancellation of the BDRs' program of the Company ("Cancellation") with the consequent cancellation of the registration of the Company as a foreign issuer – category "A" before CVM, under the terms of Article 48, sole paragraph and article 50, both from the CVM Instruction No. 480, of December 7, 2009, as amended, and the consequent cancellation of the admission of the BDRs to negotiation and the listing of the Company at BM&FBOVESPA S.A. – Stock Exchange (*Bolsa de Valores, Mercadorias e Futuros*) ("BM&FBOVESPA"), pursuant to the terms of the Regulation for the Listing of Issuers and for the Admission of Securities for Trading of the BM&FBOVESPA.

The cancellation shall occur by means of two options, as follows: **(1)** exchange of the BDRs for shares issued by the Company, with each BDR representing 5 common shares of the Company and the maintenance of the position of the old BDR Holder of the Company in shares of the Company tradable at the Buenos Aires Stock Exchange ("B.C.B.A.") ("Option 1" or "Maintenance"); or **(2)** repurchase, by the Company, on a stock exchange auction, for the price of R\$20.00 by BDR ("Price per BDR in the Repurchase"), as explained below, in accordance with the CVM Instruction No. 567, of September 17, 2015 ("CVM Instruction No. 567") and the procedures of the Operating Procedures Manual – Bovespa Segment ("Option 2" or "Repurchase" and, jointly with Option 1, the "Options").

Additionally, in case there is no adhesion of the BDR Holders of the Company to any of the Options, the Company will effect a redemption for the same price of the Repurchase (or for the B.C.B.A Price, whichever is higher (as defined below)) ("Redemption").

There follows the details of the process that will be carried out:

#### **Option 1 – Maintenance**

The BDR Holders of that adhere to Option 1 shall observe the following:

**(I)** During the period of 30 days from the date hereof, that means, until 12/16/2016, the investors who opt for the Maintenance in the B.C.B.A. shall express their will by submitting the Cancellation Form before Itaú Unibanco S.A. ("Depository Institution" and "Statement Term Option 1");

**(II)** The BDR Holders who opt for Maintenance and whose securities are deposited in the service of BM&FBOVESPA's Central Depository under the responsibility of any custody agent shall, in addition to deliver the Necessary Documents and the Cancellation Form (duly filled in and signed with notarized signature) at address Rua Ururai, 111 – Prédio II – Térreo, Tatuapé, São Paulo – SP – CEP 03084-010 or via e-mail to address dr.ita@itau-unibanco.com.br, also transfer their respective BDRs from the BM&FBOVESPA environment to the Depository Institution (CBLC account No. 3558-0 – Investor No. 1-5). For the purposes of this item "II", it is understood by "Necessary Documents": (a) certified copy of the Company's Article of Association or By-laws, if legal entity, or certified copy of a recent identity document with photograph, if individual, and (b) powers of attorney of legal representatives, with signature notarized in a notary office, if applicable;

**(III)** Once: (a) received the Cancellation Form duly filled in and signed with notarized signature by the BDR Holder and the Necessary Documents; and (b) transferred the BDRs from the BM&FBOVESPA

environment to the Depositary Institution, the Depositary Institution will send an order to the custody agent of the shares that underline the BDRs to deliver the respective shares of the Company to the respective BDR Holder at an account in the Argentine local market appointed by the investor in the Cancellation Form;

**(IV)** The BDR Holders who adhere to Option 1 shall open a checking bank account at a financial institution in Argentina and a securities account before a broker authorized to operate at the B.C.B.A, which shall be informed in the Cancellation Form. Therefore, the procedures to open such accounts shall be concluded within the term established in item “I” above; and

**(V)** THE BDR HOLDERS WHO OPT FOR OPTION 1 AND DOES NOT COMPLY WITH ITEMS “III” and “IV” ABOVE SHALL AUTOMATICALLY PARTICIPATE IN THE REDEMPTION THAT WILL OCCUR AFTER THE REPURCHASE PERIOD, AND BEING CERTAIN THAT THERE WILL BE NO MORE BDRs OF THE COMPANY LISTED IN BRAZIL AFTER THE PERFORMANCE OF THE REDEMPTION.

### **Option 2 – Repurchase**

The repurchase will occur within the period from 12/19/2016 until 12/23/2016, (“Repurchase Term”) and the simple placement, by the BDR Holder(s), of a sale order of BDR(s) in an auction of the stock exchange within the Repurchase Term will be sufficient , with no need for the fulfilling of a Cancellation Form.

The Price per BDR in the Repurchase (R\$20.00) corresponds to 5 times the price of R\$4.00 per share of the Company, determined according to the average of the price per share of the Company at B.C.B.A. in the last 6 months, which was \$17.97 Argentine pesos per share, considering the exchange rate of R\$0.2224 per Argentine peso on 11/15/2016. Therefore, the price proposed in the Repurchase represents a premium of approximately 12% to the BDR Holders.

The last quotation of the BDR at the BM&FBOVESPA occurred on 08/05/2015, reason why it shall not be taken into consideration.

Please find below, for clarification purposes, a table with the price for BDR/share issued by TGLT according to two methodologies:

<b>Summary of Assessment Criteria</b>	<b>Value (R\$/BDR)</b>	<b>Value for Share at B.C.B.A. multiplied by 5 to compound BDR (R\$/5xShare)<sup>1</sup></b>
Weighted average price per trading volume of BDR/ Share of TGLT in the 12 months immediately before the start date of Repurchase Term.	0,00	19.74
Value of net assets by BDR/share of TGLT, calculated according to the last periodical information supplied by TGLT to CVM on June 30, 2016.	1.92	1.92

The proceeds of the Repurchase will be deposited in a checking account of the BDR Holder who has adhered to such option, in the 3<sup>rd</sup> business day of the performance of Repurchase auction.

Furthermore, eventual buyers of BDRs through the interference of the Repurchase auction will be automatically subject to the Redemption, provided that, after the Redemption, there will be no negotiation of BDRs of the Company, which, in turn, shall cease to be a foreign issuer - category A in Brazil.

<sup>1</sup> \$17.75 Argentine pesos per share, considering the exchange rate of R\$0.2224 per Argentine pesos on 11/15/2016.

## **Redemption**

If the Holder of BDR does not choose Option 1 or Option 2 or has opted for Option 1, but has not complied with items "iii" and "iv" of Option 1, above explained, such BDR Holder shall be automatically addressed to the Redemption.

The Redemption shall occur through the Central Depository of BM&FBOVESPA, on 12/29/2016, and the price per BDR in the Redemption will be the higher price between: (i) the Price per BDR in the Repurchase; or (ii) the average price of the Company's share in B.C.B.A. on the Redemption date, multiplied by 5 (to compose a BDR), considering the exchange rate of R\$0.2224 for Argentine peso on the date of 11/15/2016, ("BCBA price" and "BDR Price in the Redemption", respectively).

The proceeds of the Redemption shall be deposited at the of the BDR Holder on the 8<sup>th</sup> business day of the performance of the Redemption.

## **Cancellation Schedule of BDRs Program of the Company**

<b>Description</b>	<b>Date</b>
1. Decision by CVM favorable to the procedure proposed by TGLT to Cancel BDRs Program of their issue.	October 21, 2016
2. RCA that approved the BDRs repurchase program.	November 11, 2016
3. Adhesion to Option 1: 4. Delivery of the Cancellation Form to the Company or to the Depository Institution. 5. Delivery of all the necessary documents as well as the taking by the investor of all the necessary actions to open an account in Argentina and any other necessary procedures, as required by the custody agent of such country.	from November 17, 2016 to December 16, 2016
6. Option 2 – Repurchase (that may occur in one or more days).	from December 19, 2016 to December 23, 2016
7. Cancellation of the BDRs repurchased on behalf of TGLT	December 26, 2016
8. Deposit of the proceeds from the Repurchase in the checking account the BDR Holder who have adhered to Option 2.	December 28, 2016
9. Redemption (if necessary).	December 29, 2016
10. TGLT shall make the resources available to Depository Institution	December 29, 2016
11. Deposit of the amount of the Redemption at the checking account of the BDR Holders.	January 10, 2017
12. The Company and the Depository Institution shall send the information on the result of adhesions to Options 1 or 2 to CVM.	January 11, 2017
13. Material Fact about the Cancellation of the Registration by CVM, after Redemption (if necessary).	1 <sup>st</sup> business day after receiving CVM's official letter cancelling the registration of foreign issuer of the Company

The above-described Cancellation Procedure was duly approved by CVM's Committee at meeting held on October 11, 2016.

The Company has not issued any other securities in Brazil that are outstanding, therefore, the cancellation of the BDRs of the Company will lead to the cancellation of the Company registration as a foreign issuer -

category "A" held at CVM. Additionally, the Company confirms that its shares continue to be traded at B.C.B.A., in Argentina, and with ADR's level I traded over the counter market in United States.

All the information about the Company is available on the websites of CVM ([www.cvm.gov.br](http://www.cvm.gov.br)), BM&FBOVESPA ([www.bmfbovespa.com.br](http://www.bmfbovespa.com.br)) and the Company ([www.tglt.com/ri](http://www.tglt.com/ri)); being that, in this last website, the Cancellation Form will be also available. Additionally, the addresses and contact numbers of the Company and the Depositary Institution, in order to obtain the Cancellation Form and other information about the Cancellation and the Options are:

<b>TGLT</b> Av. Scalabrini Ortiz, No. 3333, 1 <sup>st</sup> floor C1425DCB – Buenos Aires, Argentina Attn.: Sr. Nicolás Piqueras Ph.: +54 11 4890-5416 E-mail: nicolaspiqueras@tglt.com	<b>Depositary Institution</b> Rua Ururáí, No. 111, Tatuapé CEP 03084-010 – São Paulo, SP Attn.: Sra. Camila Pupo Palomares Ph.: +55 (11) 2740-2848 / 2847 E-mail: dr.itau@itau-unibanco.com.br
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Finally, the Management of the Company informs that it will keep its shareholders and BDR Holders updated on the development of the subject matter of this Material Fact, as well as throughout the events related to the cancellation of its of foreign issuer registration - category "A".

Buenos Aires and São Paulo, November 16, 2016.

**TGLT S.A.**